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UNCLAS ROME 001809

SIPDIS

SENSITIVE

COMMERCE FOR TBARLOW; JUSTICE FOR ELEWIS, AARONOFF;
TREASURY FOR PCLARK

E.O. 12958: N/A

TAGS: [ETRD](#) [PGOV](#) [IT](#) [OECD](#)

SUBJECT: ITALY: UPDATE ON OECD ANTI-BRIBERY CONVENTION

REF: SECSTATE 79413

[1](#)1. (U) THE FOLLOWING IS POST'S SUBMISSION FOR THE 2003
REPORT ON THE IMPLEMENTATION OF THE OECD ANTI-BRIBERY
CONVENTION.

[1](#)A. ENFORCEMENT

[1](#)2. (SBU) TRANSPARENCY INTERNATIONAL (TI) TOLD CONSULATE MILAN
THAT ITALIAN LAW ENFORCEMENT OFFICIALS ARE INVESTIGATING
ITALIAN ENERGY COMPANY, ENEL, FOR PURPORTED BRIBING OF
FOREIGN GOVERNMENT OFFICIALS IN THE MIDDLE EAST. ACCORDING TO
MEDIA REPORTS, THOSE COUNTRIES ARE OMAN, QATAR AND THE UNITED
ARAB EMIRATES. ENEL OFFICIALS CONFIRMED TO US THAT THE MILAN
PROCURA (DISTRICT ATTORNEY) IS INVESTIGATING THE ENEL
SUBSIDIARY, ENEL POWER, FOR ALLEGED BRIBES FOR A CONTRACT IN
THE MIDDLE EAST. THE INVESTIGATION IS IN ITS PRELIMINARY
PHASE AND INVOLVES PREVIOUS ENEL POWER MANAGEMENT. TI
CONSIDERS THIS INVESTIGATION, THE FIRST OF ITS KIND IN ITALY,
A SIGNIFICANT AND POSITIVE DEVELOPMENT.

[1](#)3. (U) THE GOI IS STILL INVESTIGATING THE TELEKOM SERBIA
CASE, WHICH DATES BACK TO 1997. ACCORDING TO PRESS REPORTS,
STET (NOW TELECOM ITALIA AFTER ITS PRIVATIZATION) AND A GREEK
COMPANY BOUGHT 49 PERCENT OF TELEKOM SERBIA, WITH STET'S
SHARE (29 PERCENT) EQUAL TO ROUGHLY USD 500 MILLION. THE
PRESS HAS ALLEGED THAT MILOSEVIC USED THESE FUNDS TO PAY
SALARIES AND PENSIONS, WHEN ALL OTHER FINANCING WAS CLOSED TO
HIM AND HIS REGIME, AND TO FINANCE HIS 1997 RE-ELECTION
CAMPAIGN. FURTHER, ACCORDING TO THE MEDIA, PART OF THE MONEY
WAS DEPOSITED INTO BANK ACCOUNTS IN THE U.K., AS A KICKBACK
TO INTERMEDIARIES. THERE WERE ALSO ALLEGATIONS THAT THEN
ITALIAN FOREIGN MINISTER DINI AND HIS FAMILY PROFITED
PERSONALLY FROM THE DEAL. THE CASE REMAINS OPEN, BUT NO
EVIDENCE OF WRONG-DOING HAS SURFACED.

[1](#)B. DEFECTIVE IMPLEMENTING LEGISLATION

[1](#)4. (U) ITALY DOES NOT PROVIDE FINANCIAL PENALTIES FOR PERSONS
CONVICTED OF BRIBERY OFFENSES. THE ANTI-BRIBERY CONVENTION
RECOMMENDS SUCH PENALTIES BUT DOES NOT REQUIRE THEM.

[1](#)C. PROMOTING PUBLIC AWARENESS

[1](#)5. (U) TRANSPARENCY INTERNATIONAL HAS PRAISED THE GOI'S
EFFORTS IN PROMOTING PUBLIC AWARENESS ABOUT THE ANTI-BRIBERY
CONVENTION AND ANTI-CORRUPTION EFFORTS IN GENERAL. GOI
OFFICIALS OFTEN TAKE PART IN TI EVENTS AND SEMINARS. TI HAS
SINGLED OUT LABOR MINISTER MARONI FOR HIS LEADERSHIP ON
ANTI-CORRUPTION EFFORTS. THE MINISTRY OF FOREIGN AFFAIRS IS
PROMOTING AWARENESS BY ISSUING INSTRUCTIONS TO ITALIAN
EMBASSIES AND CONSULATES TO INFORM ITALIAN BUSINESSES
OVERSEAS ABOUT THE OECD ANTI-BRIBERY CONVENTION.

[1](#)6. (U) CONFINDUSTRIA, ITALY'S LARGEST BUSINESS ASSOCIATION,
HAS BEEN A FREQUENT PARTICIPANT IN TI EVENTS AND SEMINARS.
IN 2001, CONFINDUSTRIA UPDATED ITS CODE OF ETHICS, FIRST
PROMULGATED IN 1991, TO REFLECT THE PRINCIPLES STATED IN THE
OECD'S ANTI-BRIBERY CONVENTION.

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